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Governor Michael J. Dunleavy
STATE OF ALASKA

July 18, 2019

The Honorable Cathy Giessel
Senate President
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting an appropriation bill that authorizes capital appropriations, operating appropriations for certain state programs, repeals appropriations and makes appropriations to capitalize funds for consideration by the Thirty-First Alaska State Legislature in the Second Special Session.

I recognize the importance of many items that were left unfunded or improperly funded during the Regular and First Special Session. This budget includes funding for the comprehensive criminal justice reform package, state match to leverage over \$915 million in federal transportation funds, and various projects and programs that will provide services to Alaskans. Many Alaskans rely on the funds outlined in this budget to provide for their families, put a roof over their head, and keep them safe.

I appreciate the Legislature's focus and attention on this legislation. My Administration stands ready to provide additional information to help you during your swift, deliberative process.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Dunleavy", written over a horizontal line.

Michael J. Dunleavy
Governor

Enclosure

SENATE BILL NO. 2002

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SPECIAL SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations, including capital appropriations, supplemental
2 appropriations, and other appropriations; repealing appropriations; making
3 appropriations to capitalize funds; and providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in the fiscal year 2020 budget summary for the operating budget by funding source to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2019 and ending June 30, 2020, unless otherwise indicated.

	Appropriation	General	Other
	Allocations	Funds	Funds
	*****	*****	
***** Department of Administration *****			
	*****	*****	
Legal and Advocacy Services			
Office of Public Advocacy	0		
Public Defender Agency	0		
Motor Vehicles			
Motor Vehicles	0		
	*****	*****	
***** Department of Corrections *****			
	*****	*****	
Administration and Support			
Information Technology MIS	0		
Population Management		16,669,100	16,669,100
Institution Director's Office	0		
Palmer Correctional Center	16,669,100		
Statewide Probation and	0		
Parole			
Parole Board	0		
Health and Rehabilitation Services		4,584,300	4,584,300
Physical Health Care	4,584,300		
24 Hour Institutional Utilities		438,400	438,400
24 Hour Institutional Utilities	438,400		
	*****	*****	
***** Department of Health and Social Services *****			

, Sec. 1

		Appropriation	General	Other
		Allocations	Funds	Funds
		*****	*****	
1	Children's Services			
2	Family Preservation	0		
3		*****	*****	
4		***** Department of Law *****		
5		*****	*****	
6	Criminal Division			
7	Criminal Justice Litigation	0		
8		*****	*****	
9		***** Department of Public Safety *****		
10		*****	*****	
11	Statewide Support			
12	Laboratory Services	0		
13		*****	*****	
14		***** Judiciary *****		
15		*****	*****	
16	Alaska Court System			
17	Trial Courts	0		
18				
19				
20				
21				

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* Sec. 2. The following sets out the funding by agency for the appropriations made in Sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1004 General Fund Receipts	2,015,600
1169 PCE Endowment Fund	-2,015,600
*** Total Agency Funding ***	\$0
Department of Corrections	
1004 General Fund Receipts	30,592,000
1169 PCE Endowment Fund	-8,900,200
*** Total Agency Funding ***	\$21,691,800
Department of Health and Social Services	
1004 General Fund Receipts	73,300
1169 PCE Endowment Fund	-73,300
*** Total Agency Funding ***	\$0
Department of Law	
1004 General Fund Receipts	1,602,700
1169 PCE Endowment Fund	-1,602,700
*** Total Agency Funding ***	\$0
Department of Public Safety	
1004 General Fund Receipts	342,500
1169 PCE Endowment Fund	-342,500
*** Total Agency Funding ***	\$0
Judiciary	
1004 General Fund Receipts	1,198,500
1169 PCE Endowment Fund	-1,198,500
*** Total Agency Funding ***	\$0
*** Total Budget ***	\$21,691,800

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

* Sec. 3. The following appropriations are for capital projects and grants from the general fund or other funds as set out in Section 4 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Funds	Funds
	*****	*****	
	***** Department of Commerce, Community, and Economic Development *****		
	*****	*****	
Community Block Grants (HD 1-40)	60,000	60,000	
Grants to Named Recipients (AS 37.05.316)			
Alaska Travel Industry Association (HD 1-40)	7,420,000	7,420,000	
Hope Community Resources, Inc. -	85,000	85,000	
Upgrades to Housing to Meet State & Federal Licensing Requirements (HD 1-40)			
	*****	*****	
	***** Department of Environmental Conservation *****		
	*****	*****	
Village Safe Water and Wastewater:	12,080,000	12,080,000	
Infrastructure Projects (HD 1-40)			
Village Safe Water and Wastewater Infrastructure Projects: First Time Service Projects (HD 1-40)	7,248,000		
Village Safe Water and Wastewater Infrastructure Projects: Expansion, Upgrade, and Replacement of Existing Service (HD 1-40)	4,832,000		
	*****	*****	

, Sec. 3

	Appropriation	General	Other
	Allocations	Funds	Funds
1	***** Department of Fish and Game *****		
2	*****	*****	
3			
4	Cook Inlet Stock Assessment (HD 31)	1,000,000	1,000,000
5	*****	*****	
6	***** Office of the Governor *****		
7	*****	*****	
8			
9	Capital Costs related to Executive	2,500,000	2,500,000
10	Branch Office Buildings, Facilities and		
11	U.S. Census (HD 20)		
12	*****	*****	
13	***** Department of Natural Resources *****		
14	*****	*****	
15	Critical Minerals Mapping - 3DEEP (HD 1-	600,000	600,000
16	40)		
17	Geological Mapping for Energy	300,000	300,000
18	Development (USGS STATEMAP) (HD		
19	1-40)		
20	Arctic Strategic Transportation and	2,500,000	2,500,000
21	Resources (ASTAR) (HD 40)		
22	*****	*****	
23	***** Department of Revenue *****		
24	*****	*****	
25	Alaska Housing Finance Corporation		
26	AHFC Competitive Grants for Public	350,000	350,000
27	Housing (HD 1-40)		
28	AHFC Federal and Other Competitive	1,500,000	1,500,000
29	Grants (HD 1-40)		
30	AHFC Housing and Urban Development	750,000	750,000
31	Federal HOME Grant (HD 1-40)		
32	AHFC Rental Assistance for Victims -	1,500,000	1,500,000
33	Empowering Choice Housing Program		

		Appropriation	General	Other
		Allocations	Funds	Funds
1	(ECHP) (HD 1-40)			
2				
3				
4	AHFC Senior Citizens Housing	1,750,000	1,750,000	
5	Development Program (HD 1-40)			
6	AHFC Supplemental Housing	3,000,000	3,000,000	
7	Development Program (HD 1-40)			
8	*****	*****		
9	***** Department of Transportation/Public Facilities *****			
10	*****	*****		
11	Decommissioning and Remediation of	2,200,000	2,200,000	
12	Class V Injection Wells (HD 1-40)			
13	Alaska Marine Highway System Vessel	13,500,000	13,500,000	
14	Overhaul, Annual Certification and			
15	Shoreside Facilities Rehabilitation (HD 1-40)			
16	Federal Program Match (HD 1-40)	73,300,000	73,300,000	
17	Other Federal Program	1,300,000		
18	Match (HD 1-40)			
19	Federal-Aid Highway State	60,000,000		
20	Match (HD 1-40)			
21	Federal-Aid Aviation State	12,000,000		
22	Match (HD 1-40)			
23	Statewide Federal Programs (HD 1-40)	238,329	238,329	
24	Highway Safety Grants	238,329		
25	Program (HD 1-40)			
26	*****	*****		
27	***** Judiciary *****			
28	*****	*****		
29	Cyber Security Courts (HD 1-40)	973,000	973,000	
30	Statewide Deferred Maintenance -	1,500,000	1,500,000	
31	Courts (HD 1-40)			
32	*****	*****		
33	***** Legislature *****			

, Sec. 3

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3		* * * * *		
4	Capital Costs Related to Legislature, Leg	4,195,000	4,195,000	
5	Council, Council and Subcommittees for			
6	Renovation of Leg Buildings and Facilities			
7	(HD 20)			
8	(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)			

* Sec. 4. The following sets out the funding by agency for the appropriations made in Sec. 3 of this Act.

Funding Source	Amount
Department of Commerce, Community, and Economic Development	
1003 General Fund Match	60,000
1004 General Fund Receipts	7,505,000
*** Total Agency Funding ***	\$7,565,000
Department of Environmental Conservation	
1003 General Fund Match	12,080,000
*** Total Agency Funding ***	\$12,080,000
Department of Fish and Game	
1004 General Fund Receipts	1,000,000
*** Total Agency Funding ***	\$1,000,000
Office of the Governor	
1004 General Fund Receipts	2,500,000
*** Total Agency Funding ***	\$2,500,000
Department of Natural Resources	
1003 General Fund Match	600,000
1004 General Fund Receipts	2,800,000
*** Total Agency Funding ***	\$3,400,000
Department of Revenue	
1139 AHFC Dividend	8,850,000
*** Total Agency Funding ***	\$8,850,000
Department of Transportation/Public Facilities	
1003 General Fund Match	73,300,000
1004 General Fund Receipts	15,938,329
*** Total Agency Funding ***	\$89,238,329
Judiciary	
1004 General Fund Receipts	2,473,000
*** Total Agency Funding ***	\$2,473,000
Legislature	

, Sec. 4

1	1004 General Fund Receipts	4,195,000
2	*** Total Agency Funding ***	\$4,195,000
3	*** Total Budget ***	\$131,301,329

4 (SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

* Sec. 5. The following summarizes by fund source the funding for appropriations made in sections 1 and 3 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	86,040,000
1004 General Fund Receipts	72,235,929
1139 AHFC Dividend	8,850,000
* * * Total Unrestricted General Funds * * *	\$167,125,929
Designated General Funds	
1169 PCE Endowment Fund	-14,132,800
* * * Total Designated General Funds * * *	\$-14,132,800
Federal Receipts	
* * * Total Federal Receipts * * *	\$0
Other Non-Duplicated Funds	
* * * Total Other Non-Duplicated Funds * * *	\$0
Duplicated Funds	
* * * Total Duplicated Funds * * *	\$0
* * * Total Budget * * *	\$152,993,129

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 6. DEPARTMENT OF CORRECTIONS.** The sum of \$2,540,000 is appropriated
2 from the general fund to the Department of Corrections for the renovation and relocation of
3 the integrated Mental Health Unit and the infirmary and detoxification unit at Hiland
4 Mountain Correctional Center for the fiscal year ending June 30, 2019.

5 * **Sec. 7. DEPARTMENT OF PUBLIC SAFETY.** (a) The unexpended and unobligated
6 balance of the appropriation made in sec. 7, ch. 43, SLA 2010, page 33, lines 4 - 7, as
7 amended by sec. 4, ch. 1, TSSLA 2017 (Department of Public Safety, Public Safety Academy
8 driver training facility, land acquisition and construction), estimated to be \$1,058,962, is
9 reappropriated to the Department of Public Safety for maintenance and renovation of rural
10 trooper housing.

11 * **Sec. 8. FUND TRANSFERS.** An amount equal to deposits in the budget reserve fund
12 (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2019 from subfunds and
13 accounts in the general fund including the power cost equalization endowment fund
14 (AS 42.45.070) by operation of art. IX, sec. 17(d), Constitution of the State of Alaska, not to
15 exceed the amount necessary after appropriations and deposits to the subfunds and accounts
16 from fiscal year 2020 revenues, to fund appropriations from those subfunds and accounts
17 made in ch. 1 - 3, FSSLA 2019, and any other appropriation bills effective in fiscal year 2020,
18 passed by the Thirty-First Alaska State Legislature and enacted into law, is appropriated from
19 the general fund to the subfunds and accounts from which those funds were deposited into the
20 budget reserve fund.

21 * **Sec. 9.** Section 14, ch. 3, FSSLA 2019 is repealed.

22 * **Sec. 10. RETROACTIVITY.** The appropriations made in secs. 6 and 9 of this Act are
23 retroactive to June 30, 2019.

24 * **Sec. 11.** This Act takes effect immediately under AS 01.10.070(c).